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FIFTH COMMITTEE
50th meeting
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at 3 p.m.
New York

SUMMARY RECORD OF THE 50th MEETING

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| Chairman: | Mr. SENGWE | (Zimbabwe) |
| later: | Mr. ALOM (Vice-Chairman) | (Bangladesh) |
| later: | Mr. SENGWE (Chairman) | (Zimbabwe) |

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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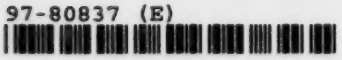

The meeting was called to order at 3.10 p.m.

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AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

(a) FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

Gratis personnel provided by Governments and other entities (continued)
(A/51/688 and Corr.1 and A/51/813)

1. Mr. MENKVELD (Netherlands), speaking on behalf the European Union and the associate countries of Bulgaria, Cyprus, the Czech Republic, Hungary, Latvia, Lithuania, Norway, Romania and Slovakia, said that voluntary contributions in cash, in kind and in the form of services, including the secondment of personnel, were made in the context of the specific needs of the Organization and generally in response to requests by the General Assembly. Recourse to gratis personnel had received encouragement and approval in several General Assembly resolutions. The Secretary-General, as Chief Administrative Officer of the Organization, had the authority to accept voluntary contributions. He was required to administer those contributions in accordance with the Financial Regulations and Rules of the Organization and the procedures laid down in a number of General Assembly resolutions.

2. The European Union welcomed the opportunity to discuss the various aspects relating to the provision of gratis personnel by Member States and other entities. As was the case with other forms of voluntary contributions, proper policies and procedures governing the acceptance of gratis personnel, as well as a consistent application of such policies and procedures, were required. That had not always been the case, as the General Assembly had recognized in requesting the Secretary-General to submit information on the various aspects relating to the provision of gratis personnel to the Department of Peacekeeping Operations (DPKO) and the international tribunals for the former Yugoslavia and Rwanda. Furthermore, the Advisory Committee had recommended the General Assembly, in its reports on the budgets of the two international tribunals to review the support costs surcharge policy and its application.

3. The European Union supported the approach proposed by the Secretary-General not only to address the provision of gratis personnel to DPKO and the tribunals, but also to address the various aspects in a comprehensive manner. Such an approach would facilitate the work of the Fifth Committee.

4. The information in the report of the Secretary-General on gratis personnel, their different categories, their number and their distribution among the offices and departments of the Secretariat as at 31 October 1996 and their contractual status, was very useful. The same could be said for the information on the programme support costs surcharge policy and its application.

5. It was clear that the discussion should focus, as the Advisory Committee had recommended, on proper policies and guidelines for non-traditional gratis personnel, since fairly well established policies and practices already existed for the traditional type of gratis personnel such as United Nations associate experts, United Nations technical cooperation experts and participants in the United Nations internship programme.

6. From annex III to the report of the Secretary-General, his delegation had noted that the number of non-traditional gratis personnel totalled 442 as at 31 October 1996. While that number appeared substantial in relation to the total number of established posts financed out of assessed contributions, special circumstances played an important role and should be taken into account.

7. First of all, out of the total of 442, 112 personnel were provided to UNSCOM, the United Nations Special Commission established by the Security Council to oversee the elimination of Iraq's weapons of mass destruction. Gratis military officers and other personnel had been provided to UNSCOM by 16 Member States. Programme support costs had been met from the Commission's resources.

8. In addition, 87 personnel had been provided to the international tribunals for the former Yugoslavia and Rwanda. The Advisory Committee had pointed out that delays in recruitment to fill established posts had affected the start-up and follow-up phases of both tribunals. The Secretary-General's reports on the tribunals contained information on the use of voluntary contributions in cash and in kind and the activities performed by the seconded staff members. It also mentioned that without the assistance provided by the seconded investigators and lawyers, the results already achieved by the Office of the Prosecutor would not have been possible.

9. In resolution 49/242 B the General Assembly had requested the Secretary-General to issue specific guidelines on the requirements for receipt of contributions and application of funds for the International Tribunal for the former Yugoslavia and to include in future budget presentations information on voluntary contributions in cash and kind and to indicate where they had been assigned. The General Assembly had reaffirmed that the acceptance of voluntary financial, in-kind or personnel contributions, must be consistent with the need to ensure the impartiality and independence of the International Tribunal and that such contributions should be considered supplementary to assessed contributions.

10. In some cases the programme support cost surcharge had been levied on the donor Governments or other entities providing gratis personnel and in other cases such costs had been charged to Trust Funds.

11. Furthermore, 141 personnel, mainly military officers, had been provided to DPKO. As the Advisory Committee recalled in its report, resolutions 45/258, 47/71 and 49/250 had encouraged the Secretary-General to invite Member States to provide personnel, on a non-reimbursable basis, to fill peacekeeping backstopping positions and to assist the Secretariat in the planning and management of peacekeeping operations. Due to the different funding mechanism for assessed contributions involved, by which he meant the regular budget and the support account, as well as the support account funding formula in the years up to 1996, there was no consolidated staffing table for implementing all mandated activities entrusted to DPKO and related sections of the Department of Administration and Management (DAM) and other departments of the Secretariat. In resolution 50/221 B, the General Assembly had requested the Secretary-General, in preparing his report on the support account for the period from 1 July 1997 to 30 June 1998, to submit a comprehensive proposal on the total requirements for human resources from all sources of funding for the backstopp ng of peacekeeping operations, including posts financed from the regular budget, trust funds, officers on loan from Member States and other voluntary contributions during that period. Without such information no decision affecting the staffing and structure of DPKO could be made. The European Union wished to know when the report on the support account would be issued.

12. Finally, 64 personnel had been provided to the Department of Humanitarian Affairs (DHA). Resolution 47/168 had requested the Secretary-General to continue to examine all ways and means of providing adequate personnel to DHA, if necessary through the secondment of national humanitarian disaster relief experts. Those experts' contractual relationship with the Organization was based on special service agreements and memorandums of agreement between the United Nations and the donor Governments. Furthermore, programme support costs were levied on donor governments, either directly or indirectly through trust funds.

13. A breakdown of the total number of non-traditional gratis personnel demonstrated that, in almost all cases, special circumstances and requests by the General Assembly had formed the basis for acceptance by the Secretary-General of the personnel in question. The purpose of the present consultations was to provide further and clearer guidance to the Secretary-General on how to deal with those special circumstances, which would not necessarily change as a result of adoption of new procedures and practices.

14. In that context the European Union appreciated the intention of the Secretary-General to establish a uniform policy, clarifying in a consistent way the status, accountability and responsibility of all types of gratis personnel. However, the recommendations contained in his report did not take account of the special circumstances which his delegation had just outlined. The Secretary-General had recommended the acceptance of gratis personnel only on an exceptional and interim basis, to carry out specialized functions in very specific cases. He had further recommended that gratis personnel could not

involve, directly or indirectly, additional financial liabilities for the Organization. The European Union endorsed the view of the Advisory Committee that the Secretary-General's proposals did not address the various aspects of gratis personnel in a comprehensive manner. His proposals were too limited and unnecessarily restrictive with a view to establishing a policy which was not only uniform, but also workable and which took account of the valuable contribution being made by gratis personnel.

15. First of all, it was necessary to make a distinction between mandated programmes and activities as formulated in the regular budget, the budgets of the tribunals and the peacekeeping operations support account budget as opposed to supplementary activities. In the case of supplementary activities, conditions and procedures for acceptance of gratis personnel did exist to a large extent. It would, however, be appropriate to ensure that the conditions and procedures for United Nations associate experts and technical cooperation experts were extended to all gratis personnel in that category. For that type of voluntary contribution, donor Governments and other entities should be charged appropriate programme support costs.

16. Secondly, it was necessary to make a distinction between, on the one hand, mandated programmes and activities for which there were budgeted resources and staffing were provided, and, on the other hand, mandated programmes and activities for which that was not the case. DPKO clearly fell into the latter category, at least until its resources had been agreed by the General Assembly on the basis of full-cost budget proposals. In the case of mandated (but not budgeted) programmes and activities, there was a need for a separate approach to gratis personnel and the application of the support costs charge. The necessary budgets, on a full-cost basis, should be presented as soon as possible. Programme support costs should not be charged for fulfilling tasks that had been mandated but not yet budgeted.

17. There was also the situation, as outlined in paragraphs 13, 14 and 15 of the report of the Advisory Committee, in which the Organization was unable to recruit expeditiously for established posts owing to the lack of required expertise, or in the start-up phase of new or extended mandated activities. In the interim period and during the recruitment process, the services of gratis personnel, if available, would benefit the Organization. The international tribunals and the Office of Internal Oversight Services (OIOS) provided good examples. In such circumstances, programme support costs were obviously not required and voluntary contributions of that kind should be reflected in the budgets and performance reports.

18. The European Union did not agree with the suggestion in paragraph 19 of the Advisory Committee's report to limit the extent to which a particular unit could be staffed by gratis personnel. Some units, such as UNSCOM and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), depended fully or to a large extent on personnel financed from extrabudgetary resources, and should continue to be able to do so. Furthermore, his delegation would welcome clarification regarding the recommendation in paragraph 10 of the Advisory Committee's report that non-traditional gratis personnel should not be accepted in excess of the needs of the Organization.

19. Taking all of those considerations into account, the European Union concurred with the recommendation of the Advisory Committee that the guidelines for the future acceptance of gratis personnel, which were set out in annex I of the report of the Secretary-General, should be redrafted and then submitted to the General Assembly through the Advisory Committee.

20. The European Union shared the view of the Advisory Committee that the Secretary-General should be requested to report annually, in a comprehensive manner, on the use of gratis personnel.

21. The Advisory Committee had recommended the General Assembly to review the support cost surcharge policy and its application. The introduction of a uniform rate in 1980 was favoured by a number of Member States not eager to pay for indirect costs related to supplementary development cooperation activities financed on a voluntary basis by certain Member States. In its report A/35/544 of 31 October 1980, the Advisory Committee had recommended that the General Assembly should introduce a uniform agency support costs charge at the rate of 13 per cent of annual project expenditures. The General Assembly subsequently approved that formula for services financed from extrabudgetary resources.

22. The European Union endorsed the concept that budgeted activities should not subsidize supplementary activities, or vice versa. However, the support costs charge had not been applied in a consistent manner. In some cases it had been waived, in total or in part, sometimes on the initiative of the Secretariat and on other occasions upon specific requests from donor Governments.

23. Upon establishment of distinct categories of gratis personnel, levying a programme-costs charge in a consistent and non-controversial manner should be possible. Appropriate support costs should be levied in the case of supplementary activities and should not be levied in the case of mandated activities, where voluntary contributions implied a reduction of budgets or a reduction in expenditure levels to be reported in performance reports.

24. In the case of the support costs charge, a uniform level had been set at 13 per cent in 1980 in circumstances very different to those at present. The European Union firmly believed that a review of the level and methodology of the support costs charge was necessary, as well as an analysis of whether the charge should continue to apply for all voluntary contributions. The European Union therefore requested the Secretary-General to review the various aspects of such a charge and to report thereon to the General Assembly through the Advisory Committee.

25. The European Union was ready to participate actively in the informal consultations on the various aspects of gratis personnel, including issues relating to the support costs charge. His delegation hoped that consultations would, on the basis of redrafted guidelines and the review of the support costs charge, result in a clear and workable policy, acceptable to all Member States, while ensuring the possibility of supplementing the assessed resources of the Organization with voluntary contributions in cash, in kind or in the form of services, including gratis personnel.

26. Mr. MWAKAWAGO (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, said that his delegation did not intend to question the integrity of the numerous men and women who had offered their services to the United Nations as gratis personnel. Nor did it intend to question the motives of Governments which had come forward and offered personnel to assist the Organization. The Group of 77 and China had misgivings not about individuals but about the current system. It was a system that had gradually been imposed on the United Nations, a system which, if not corrected quickly, might be the beginning of the end of the international character and culture of the Organization. The Group of 77 and China was also concerned about expenditure incurred from the regular budget for the use of gratis personnel without approval by the General Assembly.

27. The Group of 77 and China did not object to the use of the type I personnel. His delegation agreed with the Secretariat and the Advisory Committee that loaned personnel traditionally assigned to technical cooperation and extrabudgetary activities did not appear to have caused much concern. As stated by the Secretariat, policies and practices concerning those personnel were well defined and need not be questioned.

28. However, the large number of type II personnel had given rise to significant concerns. That type of personnel had increased in recent years for the reasons indicated in the report of the Secretary-General, namely the need to secure special expertise not available in the Secretariat and the lack of adequate resources to implement operations that the Security Council and the General Assembly had authorized. Lack of proper operational planning and the haste with which some activities were approved had also led to the current situation. The issue of resources was critical. It was alarming to learn that unless adequate resources were provided, there was no option but to seek gratis personnel. If Member States agreed that operations were to be funded either on a voluntary or an assessed basis, it was incumbent on them to pay in the agreed manner. It was unacceptable to approve mandates without providing adequate resources. Of more concern was the attitude of certain countries which exerted the strongest pressure to reduce the resources and programmes of the United Nations while supporting recourse to gratis personnel and finding little wrong with the system.

29. The Secretary-General's report had confirmed his delegation's worst fears. Developing countries had been virtually excluded from participation in the exercise of offering gratis personnel because the system was skewed against them. It was a system that implied that those with adequate resources to fund the expenses of gratis personnel in New York, for example, could invite whomever they chose. It was ironic that developing countries, which, as a whole, had contributed thousands of troops to peacekeeping operations and were owed millions of dollars by the United Nations, were incapable of producing individuals to perform such services as investigation and military planning.

30. Of the 63 gratis positions for the international tribunals for the former Yugoslavia and Rwanda, only one solitary P-3 came from a country of the 132 members of the Group of 77 and China. Of the total of 34 countries providing gratis personnel to DPKO, only 13 countries were members of the Group of 77 and China. But those 13 countries provided only 32 positions out of the 125

positions reported, and of those 32 positions, only two had contracts lasting beyond two years.

31. The system must be changed and changed quickly. The playing field had to be levelled. Consideration should be given to the proposal put forward in the Special Committee on Peacekeeping Operations and by the Advisory Committee in its current report. The Group of 77 and China strongly believed that the use of gratis personnel must be approved by the General Assembly in all situations.

32. Some countries would probably object to a system of funding positions that were currently occupied by gratis personnel, but their arguments were unconvincing. His delegation challenged them to explain how in the past the Organization had budgeted for more than 70,000 United Nations troops. In the former Yugoslavia, the United Nations had budgeted for slightly less then 60,000 troops and for civilian personnel numbering more than 5,000. In 1997 the projected peacekeeping budget would total some $1.2 billion. It did not seem too much to ask that the cost and manner of procuring the services of about 443 gratis personnel should be more transparent and fair.

33. The report of the Secretary-General also raised the question of accountability of gratis personnel and the need to abide by Charter requirements concerning high standards of integrity in the performance of duties. It was legitimate to ask why the Secretariat had not insisted on the observation of the requirements for accountability. The gratis personnel in question worked in the Secretariat and many of them performed ordinary functions which, but for the lack of adequate resources, should be performed by staff members. A peculiar situation existed in which individuals who worked under the Secretary-General and who were often in charge of Secretariat units were not clearly and fully accountable to the Secretary-General. It was not clear why the Secretariat had not insisted, just as it had done in respect of the payment of support costs, that each gratis individual must sign an individual contract with the Secretary-General. Moreover, the behaviour of the Secretariat had actually contributed to the further erosion of the international character of the Organization. Senior officials, perhaps driven by necessity or expediency, had either proposed or taken measures which compromised the unique international character of the international civil service.

34. A related issue was the role given to some gratis personnel in the Secretariat. In some cases, gratis personnel had represented the Secretary-General and consulted with Member States as if they had been ordinary staff members. If they were not accountable to the Secretary-General, his delegation could not understand on what basis they were being asked to represent the Chief Administrative Officer of the Organization in relations with Member States. Yet more disturbing were instances in which employment in the Organization had been given to certain individuals who had first come to the United Nations as gratis personnel. In some cases the proper recruitment procedures of the United Nations had been subverted, often with the support of certain United Nations officials and the countries of which such individuals were nationals.

35. It was unacceptable to employ gratis personnel when many staff members had been told they were redundant. It was unjust to involuntarily separate staff

members who had served with distinction and dedication over the years while pressure was being exerted to take on gratis personnel.

36. The Group of 77 and China was deeply concerned over efforts to reduce the number of personnel with long-term contracts and replace them with individuals serving for shorter periods. Such a development would surely lead to a system not unlike that of the present gratis personnel, a system in which individuals owed allegiance not to the United Nations but to their own Governments. It was true that certain United Nations operations were ideally suited to short-term contracting, and short-term contracts could help to enrich the Organization with new talent. However, the extensive and almost indiscriminate outsourcing of United Nations operations advocated in certain quarters would certainly lead to the same kind of abuses stemming from the present gratis personnel system. Such a system was obviously undemocratic because it favoured those countries with the capacity to release for a short period of time certain of their citizens for limited service with the United Nations before those individuals return to their home countries to pursue their careers.

37. The Group of 77 and China insisted that a fair, equitable, and transparent system must be established so that all countries should have the opportunity to participate in providing the expertise now provided by gratis personnel. The debate on gratis personnel had generated such a large amount of concern because it involved much deeper matters of principle. There was deep disquiet among a large number of Member States regarding what was perceived as an attempt to destroy the uniquely international character of the Organization. Suspicion only deepened when, for example, decisions of the General Assembly were not implemented in the manner agreed upon after long periods of negotiation among all Member States. Long-standing established procedures adopted by the General Assembly, often by consensus, had been ignored or distorted by certain senior officials of the Secretariat simply because powerful countries had pressured them to act differently.

38. Finally, if the present system of gratis personnel was to be regarded as another example of how to reform the United Nations, then it should be clearly stated that such a system had no legitimacy and must be changed. It was unacceptable simply to argue that gratis personnel had been requested by the General Assembly.

39. Mr. KAMAL (Pakistan) said that his delegation was keen to maintain the international character of the United Nations by signalling its disquiet over the growing role of gratis personnel.

40. Articles 97, 100 and 101 of the Charter of the United Nations did not envisage any "loan" or "gratis" category of United Nations personnel. There were some references to the use of gratis personnel in a few General Assembly resolutions, but even those were rather vague and devoid of specific terms and conditions. The Advisory Committee had also pointed out that gratis personnel had been accepted in the Secretariat in some areas not specifically mentioned in any General Assembly resolution.

41. The issue of gratis personnel in the United Nations had now assumed alarming proportions. It was not only adversely affecting the geographical

balance in the Secretariat to the detriment of the developing countries; it was also having far-reaching political implications. The preponderance of gratis personnel in certain departments of the Secretariat made it amply clear that in some cases the responsibilities of those departments had been subcontracted to a handful of Member States. DPKO was a case in point, where 125 of 143 military personnel were on loan. The unsatisfactory situation in DPKO should be a concern to all Member States. On previous occasions he had asked the Secretariat to indicate when it would be in a position to reply to specific questions raised by his delegation on that matter, but clear answers had, regrettably, not been received.

42. The Secretary-General's report raised several serious questions instead of giving answers to a number of critical issues. For example, it emerged from the report that gratis personnel remained, for the most part, staff of their individual Governments rather than staff members of the Organization. Hence they were not subject to Article 100 of the Charter and the Staff Regulations, nor were they accountable to the Secretary-General and subject to geographical distribution. If such an arrangement was given legal recognition by default, it would be impossible to maintain the international, impartial and independent character of the international civil service, which was one of the cardinal principles enshrined in the Charter.

43. The Secretary-General's report further stated that gratis personnel performed non-traditional jobs for which expertise was not readily available in the Secretariat. No satisfactory explanation had yet been provided on the nature of those specialized tasks. His delegation failed to understand what specialization was required to work in the Field Administration and Logistics Division in DPKO, where 56 out of 56 personnel were on loan. In the Procurement and Transportation Division, some gratis personnel had stayed for more than two years. The report of the Board of Auditors had pointed out a number of irregularities in that important Division, a state of affairs which called for immediate action.

44. Similarly, there was no justification for gratis personnel at senior levels in DAM or OIOS. His delegation felt strongly that those and other important and sensitive areas should be staffed by United Nations professionals only, who were subject to Article 101 of the Charter and met the highest standards of efficiency, competence and integrity.

45. In accordance with the Financial Rules and Regulations of the United Nations, the General Assembly's approval was required to meet any financial liability involving voluntary contributions. His delegation had noted from the Secretary-General's report that 33 per cent of the cost of gratis military officers was being borne by the Organization. The estimated annual cost of administrative backstopping of such personnel charged to the United Nations budget was $1.58 million on a one-time basis and $2.21 million on a recurrent basis. The Advisory Committee had pointed out that the Secretary-General had not complied fully with the requirements of financial regulation 7.2 with respect to the implications for the Organization of acceptance of gratis personnel. Such irregular expenditure should be a matter of concern to all delegations; it certainly was to his.

46. The Secretary-General's report also made the astounding revelation that Member States providing personnel on loan, when approached by the Secretariat to submit candidates for recruitment against vacant posts as United Nations staff, had indicated their preference to contribute gratis personnel. That tendency raised serious questions about the real motives behind the contribution of gratis personnel.

47. Basically, the need for gratis personnel had arisen because of the United Nations financial crisis. The acceptance of personnel on loan could at best be considered as an ad hoc measure and not a permanent solution. The continued presence of gratis personnel could only exacerbate the situation. If Member States were to fulfil their legal obligations under the Charter to pay their assessed contributions, there would be no need for such personnel. It was rather intriguing that some Member States were eager to make voluntary contributions but less forthcoming in fulfilling their legal obligations.

48. In order to find a practicable and lasting solution to the issue of gratis personnel, his delegation proposed that such individuals should not be accepted for service at Headquarters, even on an exceptional basis. The Secretariat's job should be performed by international civil servants subject to the Charter, the Staff Regulations and the authority of the Secretary-General, not to their Governments. The present gratis personnel in the Secretariat should be expeditiously phased out. In exceptional circumstances where required expertise was not available in the Organization, gratis personnel could be accepted for assignments in the field only. Such assignments should be for a limited and specified period. The process should be fully transparent and subject to the approval of the General Assembly. Quarterly statistics on the use of gratis personnel in the Organization should be provided to Member States, and the Secretariat should submit annual reports to the General Assembly covering all aspects of the use of gratis personnel. Finally, trust funds should be created to enable the Secretary-General to recruit United Nations personnel in accordance with established practice.

49. Mr. INDERFURTH (United States of America) said that his delegation could not support many of the recommendations on the use of voluntarily contributed personnel, as contained in the reports before the Committee. Gratis personnel provided expertise not available in the Secretariat and made it possible to deal with urgent needs in non-traditional areas of activity. Staff members of the Department of Peacekeeping Operations had commented on the quality and professionalism of the gratis military officers assigned there and on the expertise which only experienced, currently serving military officers could provide. The United States provided significant numbers of gratis personnel, particularly in the area of peacekeeping, reflecting the importance it placed on ensuring that United Nations missions were accomplished efficiently and effectively. His Government was glad to be able to provide the necessary expertise when needed.

50. The issue of gratis personnel should not be a dispute between North and South, between developed and developing countries. It was of importance to all that the planning and execution of missions should be carried out in the most professional and effective manner possible. It was in the interest of all Member States that the outstanding contribution of gratis personnel be continued

in the areas where their expertise was needed. At the same time, his delegation understood the importance of an independent international civil service and of broad geographical representation. The trust fund for the rapidly deployable mission headquarters was one example of a solution for situations requiring personnel with specific expertise; such a solution strengthened the ability of the United Nations to respond expeditiously and efficiently to a crisis.

51. His delegation would be unable to join a consensus on a resolution based on the recommendations of the Advisory Committee. With regard to the latter's proposal on budgeting and assessing posts currently encumbered by gratis personnel, his delegation was not raising the issue simply to ensure that its assessment was not increased. His Government was concerned that that proposal could spell the end of gratis personnel.

52. His delegation was surprised and disappointed that the Advisory Committee had not provided detailed information on the financial implications of its proposal to fully fund the posts, or outlined its implications for Secretariat staffing levels. The Advisory Committee recommendation would add significantly more posts to the regular budget, and his delegation was concerned that the cost of budgeting and assessing could not be accomplished within the current budget ceiling. That outcome was unacceptable to his Government. The Secretariat should provide an estimate of the cost of filling the posts currently encumbered by gratis personnel, stating whether additional posts would have to be created in order to support newly assessed and budgeted posts. As to the recommendation that the posts concerned should be filled through the regular appointment process, his delegation feared that, had that process been followed, the posts would never have been filled in time and missions could have been in jeopardy.

53. Another aspect of the report of the Advisory Committee dealt with the 13 per cent administrative charge that the Organization had sometimes sought to impose on Member States providing gratis personnel. His delegation believed that it was unrealistic to charge Member States such additional fees for providing requested services at their own expense. Furthermore, the proper legal foundation for assessing such a fee did not currently exist with respect to "type II" personnel, and the recent ad hoc policy had been applied arbitrarily and could not be characterized as standard practice.

54. His Government recognized that there were anomalous situations where international civil servants reported to seconded or gratis personnel, and that the latter were not subject to the Staff Regulations and Staff Rules of the United Nations. Such situations could and should be corrected through proper human resources management. His delegation also agreed that some gratis personnel were serving in positions that could be occupied by regular personnel. His delegation understood that a study was currently being conducted to analyse which functions required military personnel; his Government encouraged such reviews for all sectors of the United Nations system where gratis personnel were used.

55. In working towards a policy for gratis personnel, his delegation's objectives would include: support for full budgeting for purposes of transparency, while distinguishing between full budgeting and assessment; support for the use of gratis personnel to augment the regular staff on an as-

needed basis and to provide expertise not readily available in the international civil service; requiring gratis personnel to be bound by staff rules and regulations governing issues of conduct, accountability and performance; and distinguishing between gratis personnel augmenting mandated activities and those not falling within that category. Overhead administrative charges should be the subject of a separate report of the Secretary-General for consideration by the General Assembly.

56. The capacity of the United Nations to accomplish its missions effectively and efficiently depended on the continued ability of Member States to make available to the Secretariat, on a short-term, gratis basis, personnel possessing the expertise which the Organization needed. The recommendations contained in the two reports could, in the view of his delegation, hamstring the United Nations when it needed to conduct emergency or other fast-moving or non-traditional missions. Seconded and gratis personnel had made significant contributions to the goals and ideals of the United Nations, and they had gained their own insight into the Organization which they had brought back to their own Governments upon completion of their assignments. The means was cost-effective and the results were outstanding.

57. Mr. SULAIMAN (Syrian Arab Republic) said that the issue of gratis personnel must be urgently addressed within a wider-ranging debate on the current financial crisis. Member States could not offer gratis personnel in lieu of financial contributions, eroding the capacity of the Organization to fulfil its responsibilities and undermining its very raison d'être. Such personnel were not subject to the provisions of Articles 100 and 101 of the Charter of the United Nations, nor were they governed by the Staff Regulations, making them accountable to the Secretary-General. The relevant General Assembly resolutions did not offer carte blanche for the use of such personnel throughout the Organization. Moreover, the fact that gratis personnel occupied senior positions, particularly in peacekeeping units, adversely affected the independent and international nature of United Nations activities.

58. Syria supported the recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/51/813) with regard to the need for transparency in the budget for such positions, the need to retain the traditional manner of filling approved positions, and the use of gratis personnel only in the limited and exceptional circumstances outlined in the report.

59. States wishing to contribute gratis personnel should first discharge their financial obligations to the Organization, so that the Secretary-General would then arrange for the employment of experts from any country on the traditional basis of equitable geographical distribution.

60. Gratis personnel should not occupy regular-budget posts, nor should they be given sensitive assignments, but rather they should be used to assist the Organization's regular staff. The use of gratis personnel should be seen as an exceptional measure, otherwise a new category of staff with no loyalty whatsoever to the Organization would be permanently installed.

61. Mr. Alom (Bangladesh), Vice-Chairman, took the Chair.

62. Ms. RODRÍGUEZ ABASCAL (Cuba), expressing her delegation's support for the statement made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China, said that although acceptance of gratis personnel was a long-standing practice, there had been a serious departure from the rules which had originally governed that acceptance. That had led to a situation which was harmful for the Organization in that Articles 100 and 101 of the Charter had not been properly applied, the principle of equitable geographical distribution within the Secretariat had been ignored, and damage had been caused to the institutional memory of the Organization. Consequently, the Advisory Committee should have provided additional information regarding the current situation, so that delegations could have a clearer picture of the issue under consideration. Paragraph 10 of the report of the Secretary-General cited the current financial situation of the Organization as a reason for the indiscriminate acceptance of "type II" gratis personnel. Without disagreeing with that statement, her delegation considered that there were other reasons for the problem, which included the political interests of certain Member States and the pressure brought to bear by them in their desire to use gratis personnel as a means to infiltrate the Secretariat, influence its decisions, and obtain information in sensitive areas. The statement in paragraph 61 of the report of the Secretary-General that certain Governments, when requested to submit candidates for recruitment against vacant posts, had instead indicated that they preferred to contribute gratis personnel was conclusive evidence of the double standards consciously applied by those Governments, particularly in light of the fact that considerable numbers of gratis personnel were occupying key posts and carrying out activities of great political sensitivity within the Organization. The situation was made worse by the fact that gratis personnel were answerable not to the Secretary-General, but to their own Governments.

63. Her delegation supported the opinion expressed in paragraph 50 of the report of the Secretary-General that functions of supervision, regulation and of a policy nature should not be entrusted to gratis personnel, that they could not be assigned functions of a sensitive and confidential nature, and that they should not have signatory authority for official correspondence. Her delegation also supported the recommendation in paragraph 12 of the report of the Advisory Committee that all mandated activities should be fully budgeted. It was unacceptable that gratis personnel should be used to carry out activities which had not received appropriate budgetary support from Member States.

64. The Advisory Committee had described two categories of situations for acceptance of gratis personnel; her delegation supported the first but had serious doubts regarding the second, which would give the Secretary-General a free hand to continue using gratis personnel and would perpetuate the current situation on a reduced scale. The second category should be strictly regulated by the General Assembly, whose consent should be required for the acceptance of that type of personnel. Her delegation was concerned that paragraph 7.2 of the Financial Regulations and Rules of the United Nations had not been correctly applied, and regretted that the General Assembly had not been given information as to the number of such personnel and the associated costs. The 13 per cent charge was not excessive. It should be borne in mind that the use of gratis personnel benefited both the Organization and the donor State, since the latter acquired first-hand knowledge of the functioning of the Organization, and the individuals concerned received training, which also benefited the donor country.

Her delegation did not therefore share the opinions contained in paragraphs 16 and 17 of the Advisory Committee's report.

65. Cuba supported the conclusions and recommendations contained in the report of the Secretary-General, and concurred with the recommendations contained in paragraphs 18 to 22 of the Advisory Committee's report. The decision to be reached must be based on the essential criteria of transparency, accountability and impartiality of gratis personnel. The objective must be to strengthen the fundamental role of the General Assembly in the regulation and supervision of the use of such personnel.

66. Mr. HIDAYAT (Indonesia) said that his delegation supported the statement made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China.

67. If resources were insufficient, the Secretary-General should make proposals to the General Assembly for appropriate action, in accordance with the established procedure. His delegation shared the views of the Special Committee on Peacekeeping Operations that steps were needed to correct the imbalance between the numbers of military officers on loan and those recruited in accordance with established procedures. Special attention must be given to preserving the unique international character and accountability of the Secretariat in the performance of its functions. He welcomed the effort made by the Secretariat in presenting guidelines for the acceptance of gratis personnel. However, noting the recommendation of the Advisory Committee that the proposed guidelines should be redrafted, his delegation hoped that the Fifth Committee could discuss them thoroughly, and then request the Secretary-General to review them and submit them to the General Assembly through the Advisory Committee as soon as possible, to enable Member States to consider them again during the next resumed session of the General Assembly. His delegation concurred with the recommendation of the Advisory Committee that the Secretary-General should be requested to report annually on the use of gratis personnel. The Advisory Committee should be asked to examine the issue further in all of its aspects.

68. Ms. INCERA (Costa Rica) expressed the support of her delegation for the statement made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China. It was important to give thorough consideration to the subject of gratis personnel, in the light of recent irregularities in the acceptance of "type II" gratis personnel. Her delegation was particularly concerned at the negative impact of the continuance of that practice upon the institutional memory of the Organization and its independence. It was also a matter for concern that gratis personnel were not answerable to the Secretary-General or subject to Articles 100 and 101 of the Charter. There had been insufficient dialogue between the Secretariat and the Member States on the subject. There had been no consistency in the application of the 13 per cent administrative charge on donor States, and the acceptance of gratis personnel had been harmful to the principle of equitable geographical distribution. Such a distortion of the wishes of the General Assembly and even of the Charter of the United Nations must be dealt with as a matter of priority.

69. Her delegation fully supported the opinions contained in paragraph 11 of the report of the Advisory Committee; whenever the Secretariat submitted a

budget for new activities, it should give clear and full information as to the human and financial resources required for their implementation. Her delegation also supported the views contained in paragraph 13; however, the situation described in paragraph 14 should be of an entirely exceptional nature. She also supported the view that the approval of the General Assembly for the use of gratis personnel should be required in all cases. Her delegation also supported the proposal contained in paragraph 18.

70. Her delegation hoped that the draft resolution to be adopted would take account of the need to ensure complete transparency and independence in the actions of the Secretariat in response to mandates from Member States.

71. Mr. MIRMOHAMMAD (Islamic Republic of Iran) supported the statement which had been made on behalf of the Group of 77 and China, and said that his delegation was concerned that the current use of gratis military officers might distort the international character of the United Nations. At a time when many staff members, who represented the institutional memory of the Organization, were subject to involuntary separation, recourse to great numbers of gratis personnel was unjustifiable. It was unacceptable to put pressure on the Organization to make deep cuts in the numbers of personnel with long service in order to replace them with individuals provided for short periods. His delegation also objected to incurring expenditure under the regular budget for the use of gratis personnel without the approval of the General Assembly.

72. The costs and the manner of procuring the services of gratis personnel must be transparent and fair, and the personnel themselves must be accountable and impartial in the performance of their duties. The use of "type II" gratis personnel should be resorted to only on a temporary and exceptional basis. His delegation also endorsed the recommendation that the proposed guidelines for acceptance of gratis personnel should be redrafted.

73. Mr. HO (Singapore) said that the unprecedented increase in the number of gratis personnel in the Secretariat was a symptom of a problem, not its cause. The cause of the problem was the financial crisis, and restricting the use of gratis personnel would not solve the resource problem; it would only result in important work not being done. Most of the gratis personnel in the Department of Peacekeeping Operations, especially those in senior posts, were from developed countries; the participation of developing countries in the provision of gratis personnel should be increased. His delegation did not believe that there was a problem per se with allowing gratis personnel to hold senior posts, as long as they were accountable to the United Nations and not to their own Governments. All staff employed by the United Nations must be accountable to the Secretary-General.

74. His delegation supported the views of the Advisory Committee regarding the proposal for a 13 per cent surcharge on donor Governments. The figure of 13 per cent was clearly arbitrary. It was important to distinguish between extrabudgetary expenditure incurred strictly for the benefit of gratis personnel, and costs related to the performance of mandated and budgeted activities. It would be unacceptable to ask Member States to pay for costs which would have been incurred regardless of whether the work was performed by a regular United Nations staff member or a loaned official. There must be greater

fairness and transparency in the appointment of gratis personnel. It was unacceptable for only the biggest and most powerful Member States to be invited to provide such personnel to fill senior posts in the Secretariat.

75. A fair, equitable and transparent system must be established so that all countries could participate in the provision of gratis personnel. His delegation fully supported the recommendations of the Advisory Committee contained in paragraphs 11 to 14 of its report. The procedure for employing gratis personnel should be clarified and institutionalized. His delegation would caution against any attempt to put an abrupt halt to what was a useful practice for the Organization.

76. Mr. NOUR (Egypt) said that his delegation was very concerned about the considerable imbalance in the geographical distribution of type II gratis personnel. Moreover, such personnel were performing very sensitive functions in the Secretariat in areas such as internal oversight, peacekeeping operations and even in political affairs, functions which should not be assigned to non-Secretariat staff. His delegation was also concerned that the Secretary-General had not fully complied with the requirements of financial regulation 7.2 on the use of such personnel. The General Assembly must provide guidelines that would address the problems resulting from the increased use of gratis personnel in the Secretariat. Their functions must be carefully circumscribed, they must be held accountable and the financial implications of the use of such staff should be taken into account in the budget. The Secretary-General's guidelines for accepting gratis personnel were welcome but they should take into account the Advisory Committee's comments, including on issues such as the neutrality of the international civil service, respect for the Organization's financial regulations and the setting of maximum limits on the employment of such personnel. The objective was to achieve transparency, equitable geographical representation and equal opportunity for all Member States in providing such personnel. In that regard, he supported the idea of establishing a trust fund; rules could be agreed on the use of such a fund.

77. Mr. RIVA (Argentina) agreed that the Secretary-General sometimes had to use gratis personnel under special circumstances. The use of such personnel had been expanded from the traditional area of technical cooperation to other sectors such as military planning, logistical support for peacekeeping operations, disarmament, humanitarian assistance, internal oversight, economic and social research and administration and management. His country had provided, free of charge, people with expertise not available in the Secretariat, on the understanding that they would not replace, but would complement, regular Secretariat staff and would be used only for short periods and in exceptional circumstances.

78. In connection with the shortage of personnel in the Secretariat, which resulted from the increasingly grave financial situation of the Organization, Member States should provide the resources needed to enable the Secretariat to carry out its mandates. Such personnel should be subject to the provisions of the Charter and to the Staff Regulations and Staff Rules. The use of gratis personnel over long periods of time in the economic and social fields, internal oversight and procurement and other areas, would affect not only the impartiality and independence of the United Nations but also the international

nature of its activities and responsibilities. His delegation would support any measures to improve the recruitment process. Hiring the appropriate number of staff only for the period of time that their services were actually required would help to enhance effectiveness and combat bureaucracy. In that regard, he supported the Advisory Committee's recommendation that the Secretary-General should report annually on the use of gratis personnel, including details on their nationalities, duration of work and their functions. The Secretary-General should not use such personnel for posts kept vacant solely for financial reasons or accept type II gratis personnel over and above the requirements of the United Nations. With regard to the financial implications of accepting gratis personnel, his delegation believed that, in the final analysis, the use of such personnel resulted in a saving for the United Nations and therefore supported the recommendation made in paragraph 17 of the Advisory Committee's report.

79. The CHAIRMAN informed the Committee that he had received a communication from the President of the Coordinating Committee for International Staff Unions and Associations (CCISUA) requesting, on behalf of CCISUA, permission to address the Fifth Committee on the question of gratis personnel.

80. He took it that, pursuant to the provisions of General Assembly resolution 35/213 and in accordance with the Committee's practice, the Committee wished to invite the representative of CCISUA to make an oral statement at a subsequent meeting in connection with the question of gratis personnel.

81. It was so decided.

82. Mr. Sengwe (Zimbabwe) resumed the Chair.

AGENDA ITEM 112: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued) (A/49/98 and Corr.1 and Add.1 and 2, A/49/418, A/49/471 and Corr.1, A/49/633, A/50/16, A/51/124-E/1996/44, A/51/674 and A/51/686 and Add.1 and 2)

83. Mr. QUIJANO (Joint Inspection Unit), introducing the report of the Joint Inspection Unit entitled "Common services at United Nations Headquarters" (A/51/686), said that the report covered the United Nations and its affiliated programmes and funds, namely, the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA) and the United Nations Office for Project Services. He outlined the methodology used and the list of services provided by the United Nations Secretariat to the affiliated programmes, noting that, with the exception of legal services and public information, all the services provided came under the Department of Administration and Management. The outcome of the inspection was positive and the inspectors had been impressed by the dedication and efforts of participating staff in responding to an ever-increasing workload and demand for services even as the number of staff was being reduced.

84. Paragraphs 15 to 44 contained the inspectors' comments on each office, paragraphs 69 to 72 the views expressed by the various organizations; in some cases such views had been incorporated into the text together with the relevant clarifications in paragraphs 73 and 74. That general description of the

situation was supplemented by recommendations, suggestions and comments on administrative and budgetary aspects, including reimbursement formulas as well as ways and means of improving such services, in particular, the advisability of establishing user-management committees empowered to deal with complaints by users and set standards for the efficient delivery of services.

85. The inspectors had tried to produce a report which was pragmatic and which offered specific objectives and general guidelines. Everyone agreed on the need for achieving economies of scale, reducing overall expenditure and eliminating duplication. The Secretary-General, in his comments on the report of the Joint Inspection Unit (A/51/686/Add.1), noted that the objectives proposed by the Joint Inspection Unit were in line with his strategy of enhancing the efficiency of administrative support structures throughout the Organization. Notwithstanding the Secretary-General's disagreement with some of the inspectors' views, they wished to highlight areas of agreement which might help to promote a new conceptual framework and a new attitude. In that regard, the proposal by UNICEF for a specific plan of action to expand services gradually, starting with two services as pilot projects to explore the possible advantages of private contracting, was in keeping with the Secretary-General's concern that the reform of services should be approached on a case-by-case basis with due regard to the specific circumstances of each service and to the priorities of both providers and users. That example was illustrative of the fact that some issues were feasible and could, following consultations among the secretariats seeking efficiencies, benefit their organizations and, ultimately, Member States.

86. It was the responsibility of the General Assembly to promote a policy which would strengthen common services and ensure that they were better utilized not only in New York but also in other locations as well. In order to create the positive attitude which could reinforce that policy and expand its scope, the General Assembly could include the question of common services in its ongoing programme of institutional reform and agree that common services should become an important component of the new management culture taking root in the United Nations. The Joint Inspection Unit trusted that the consultations on decisions to be adopted on agenda item 112 would include a request to the Secretary-General that, together with the organizations and funds operating in New York, he develop new approaches to strengthen and expand that field of activity.

87. Referring to the new headquarters cities of Bonn, The Hague and Montreal, he said that it was urgent to formulate, as soon as possible, a policy to coordinate the various services provided by the secretariats of the various United Nations bodies there in order to avoid any duplication. Specific measures should be adopted at the current session without delay. That could be done on a case-by-case basis, as suggested by the Secretary-General. What was important, however, was that attention should be focused on promoting measures to strengthen common action, which would undoubtedly result in savings and greater efficiency.

88. Mr. WOODWARD (Chairman of the Audit Operations Committee), introducing, on behalf of the Chairman of the United Nations Board of Auditors, the views of the Board of Auditors on improving oversight functions (A/49/471), said the Board considered that its role, scope, structure and composition should continue in

essence unchanged. In response to General Assembly resolution 48/216 D, the Board had suggested that Board members' term of office should be extended from three to six years and should expire in even years so as to align them with the work demands of biennial audits. As far as measures to improve the quality of external audit work were concerned, the Board, as part of its work within the Panel of External Auditors, had recently strengthened the common auditing standards to align them more closely with current best professional practice. In addition, it had updated its financial and management audit approaches, including substantial revision of its Audit Manual, to bring them into line with current best practice.

89. The Board wished to reassure the Committee that it was able to secure sufficient, suitably qualified staff to carry out the full range of audit activities. Its budget was based on planned, foreseeable work. Consequently, while confirming its willingness to provide the United Nations with additional audit services, as and when requested by the General Assembly, the Board stressed the need for a recognition of the resource implications of the increasing number of requests from the Assembly.

90. Primary responsibility for establishing systems to prevent or detect fraud rested with management. While there was a limit to what the Board could do to prevent or detect fraud, it did plan its audits in such a way as to detect material cases of fraud. In addition, the Board planned to intensify its scrutiny of cases reported to it by the Administration. To that end, the organizations concerned should be required to report to the Board at six-month intervals any cases of fraud or presumptive fraud.

91. The Board intended to strengthen its reporting on action taken by management to implement the Board's recommendations; accordingly, it would highlight in a separate section of its reports any examples of persistent irregularities where, clearly, insufficient remedial action had been taken.

92. Finally, he wished to stress the importance of maintaining the separate and distinct roles of internal and external oversight bodies as well as the need for oversight services not to duplicate their activities and to liaise closely in order to ensure smooth and efficient coverage of the organizations concerned. The Board regarded such liaison as essential.

OTHER MATTERS

93. Mr. NOUR (Egypt), pointed out that, although Egypt had paid its assessed contribution for 1997 on 2 January 1997, that fact had not been reflected in the documentation on the subject which had been circulated by the Secretariat. Egypt was proud to be one of the few Member States which consistently paid their contributions in time and in full. He requested the Secretariat to correct the errors concerning Egypt's contribution in the documents in question and ensure that such errors were not repeated in future.

The meeting rose at 5.25 p.m.